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AUDIT PROGRAM
FIELD AUDIT UNIT
1 September 1955

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I. STATION/BASE FINANCIAL RECORDS AND PROCEDURES

A. Evaluate internal control and adapt audit program on the basis of results. (See Attachment (FINANCE) to Audit Program.)

B. FINANCE OFFICE BOOKS OF ACCOUNT AND MONTHLY SUMMARY ACCOUNTINGS.

1. CASH:

a. Verify cash balance:

(1) Count cash, reconcile to audit date, and agree to subsidiary ledger accounts.

(2) Take trial balance of subsidiary ledger and agree to monthly summary accounting.

(3) Reconcile bank accounts and agree to subsidiary ledger accounts.

(4) Confirm bank balances directly to bank.

(5) Verify that all bank accounts have Headquarters approval.

(6) Test footings in subsidiary ledger.

(7) Test debit postings from voucher register to cash subsidiary ledger.

(8) Test credit postings from subsidiary ledger to voucher register.

b. Check for excess of any currencies over current needs.

c. Observe safekeeping procedures.

d. Check procedure used in establishing rates of, and disbursing, foreign currency.

2. CACHED FUNDS AND COMMODITIES:

a. Check for compliance with pertinent regulatory requirements.

3. ADVANCES:

a. Verify balance of control account.

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(1) Take trial balance of subsidiary ledger and agree to monthly summary accounting.

(2) Age.

(3) Select accounts for confirmation.

(4) Test footings in subsidiary ledger.

(5) Test debit postings from voucher register to subsidiary ledger.

(6) Test credit postings from subsidiary ledger to voucher register.

4. TRANSFERS:

a. Test of transfer transactions is accomplished under voucher register and control journal section.

5. DUE TO FIELD AGENTS:

a. Confirm accounts when possible, and check with operational sections for unrecorded accounts.

6. EXPENSES:

a. Verify balance.

(1) Take trial balance of subsidiary ledger.

(2) Test foot allotment accounts.

(3) Test postings from voucher register to subsidiary ledger accounts.

(4) Trace allotment totals per subsidiary ledger accounts to Schedule E.

(5) Foot Schedule E and agree to monthly summary accounting.

7. OTHER TRIAL BALANCE ACCOUNTS:

a. Steps to be determined according to nature of account.

8. ALLOTMENT/OBLIGATION CONTROL RECORDS AND PROCEDURES.

a. Review expense and obligation subsidiary for proper recording of obligations.

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10. VOUCHER REGISTER AND CONTROL JOURNAL:

- a. Agree beginning balances to prior monthly summary accounting.
- b. Trace vouchers into register.
- c. Review vouchers for obligation information, documentation, propriety of expense or disbursement, approval, distribution, and other requirements.
- d. Check all property purchases to Schedule E-1, to insure that all property subject to financial control is being recorded properly.
- e. Foot and cross-foot voucher register and agree ending balances to monthly summary accounting.
- f. Review other months for unusual transactions.

C. STATION/BASE-ACTIVITIES/PROJECTS OPERATING ON ADVANCE ACCOUNTS

1. ADMINISTRATIVE-TYPE

a. Employee-Dependent Housing.

- (1) Count and reconcile funds to Base finance records.
- (2) Review procedures used in handling fund, records, safekeeping, etc.
- (3) Review records used to accumulate expenditures - by type, where limitations are imposed by regulations.
- (4) Review policy with regard to allowable expenses paid through the fund.
- (5) Review lease files for compliance with regulations.
- (6) Determine that all real property owned or leased by the Base is reported as required in [REDACTED]

b. Motor Pool.

- (1) Count and reconcile funds to Base finance records.
- (2) Review procedures used in handling funds, records, safekeeping, etc.
- (3) Review dispatch control over vehicles for:

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- (a) Adequate control over official and nonofficial use.
- (b) Determining that nonofficial use of vehicles is recorded, billed and collected.

(4) Determine that vehicle status reports are submitted on all vehicles, and changes in vehicle status, in accordance with [REDACTED]

c. Supply/Procurement Funds.

- (1) Count and reconcile funds to Base finance records.
- (2) Review procedures used in handling funds, records, safekeeping, etc.

d. Indigenous Payroll.

- (1) Post time and attendance records to payroll summary.
 - (a) Check that all names on payroll are supported by time and attendance records (100% check).
 - (b) Test-foot time and attendance reports.
 - (c) Test sick and annual leave charges to leave records.
- (2) Test computation of earnings on payroll summary.
- (3) Foot and cross-foot payroll summary.
- (4) Agree payroll summary to signed payroll.
- (5) Verify withholding tax accruals or tax payments.
- (6) Test hourly rates paid to personnel records.
 - (a) Verify increases to appropriately approved personnel actions.

[REDACTED]

- (8) Observe pay off of current payroll if feasible.

- (9) Check Base units for adequate attendance control and time accumulation records and procedures.

e. Contract Payrolls.

- (1) Post time and attendance records to payroll summary.

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(a) Check that all names on payroll are supported by time and attendance records (100% check).

(b) Test-foot time and attendance reports.

(2) Test computations of earnings on payroll summary.

(3) Foot and cross-foot payroll summary.

(4) Verify payroll summary to signed payroll.

(5) Verify withholding taxes to amounts transferred to Headquarters.

(6) Test salaries paid to contracts.

(7) Verify that there is a contract for each employee.

(8) Observe pay off of payroll, if feasible.

f. Mess Operations.

(1) Count and reconcile funds to Base finance records.

(2) Review internal records and procedures utilized in handling advance fund, and in collecting, accumulating and accounting for mess receipts. Make appropriate tests based upon records utilized at individual Bases.

(3) Review inventory control (receiving, recording and issuing) procedures and records for adequacy.

Note: Numbers (2) and (3) above will be subject to revision when standard procedures and [REDACTED] Regulations, now being written, are finalized.

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g. OTHERS.

(1) Tests to be determined according to nature of the account.

2. OPERATIONAL TYPE.

a. Enumerate those activities/projects which are responsible for, and have authority to obligate and expend, funds.

(1) Count and reconcile funds to Base finance records.

(2) Review procedures used in handling funds, records, safekeeping, etc.

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(3) Review administrative section of project plans for scope and limits of authority in expending funds.

D. Prepare Check List for subsequent visits.

II. STATION/BASE PROPERTY RECORDS AND PROCEDURES.

A. Evaluate internal control and adapt audit program on the basis of results. (See Attachment (PROPERTY) to Audit Program.)

B. PROPERTY RECORD TESTS.

1. Test cash acquisitions of property from Schedule E-1 into stock records.
2. Test from receiving section's records into stock records.
3. Test acquisition and issue vouchers into stock record cards.
4. Test entries on stock record cards back to applicable acquisition and issue vouchers.
5. Test foot stock record cards.
6. Test on-hand balances per stock record cards to quantities in warehouses.
7. Test quantities in warehouses to on-hand balances on applicable stock record cards.
8. Test latest physical inventory to balances on stock record cards.
9. Review adjustments between physical inventory and stock record cards (per Inventory Adjustment Reports and Reports of Survey) for propriety, documentation, and approval.
10. Test record control over expendable property.
11. Test current consolidated memorandum receipts (M/R) back through prior consolidated M/Rs and basic vouchers to stock record card entries and basic issue vouchers.
12. Test basic acquisition and issue vouchers through stock record cards and into M/R accounts and subsequent consolidations thereof.
13. Test current consolidated M/Rs to sections concerned to determine that:
 - a. Balances shown are actually in use.
 - b. Responsible officer maintains adequate supervision and record control over property (Chapter 24, [REDACTED])

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c. Property is being used as intended and in accordance with regulations.

14. During above tests observe and make notations on excess property both on-hand and on M/R.

C. Prepare Check List for subsequent visit.

III. GENERAL

A. Follow-up of action on previous audit recommendations.

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